

28th Annual General Meeting of Sonata Software Limited

- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Mangal?
- **Ms. Mangal Kulkarni - Company Secretary, Sonata Software Limited:**
- Yes.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Shall we start the board meeting?
- **Ms. Mangal Kulkarni - Company Secretary, Sonata Software Limited:**
- Yes Sir.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Thank you. I call the meeting to order. It's 10 o' clock. I will request the company secretary to introduce the AGM. Thank you.
- **Ms. Mangal Kulkarni - Company Secretary, Sonata Software Limited:**
- Thank you, sir. Good morning. I'm Mangal Kulkarni, company secretary of Sonata Software Limited, joining this meeting from Mumbai. I welcome you all for the 28th AGM of the company. Quick info on the conduct of the meeting and the guidelines for the Q&A session.
- Members may note that this annual general meeting is being held through video conference as per the Companies Act and SEBI circular and MCA issued from time to time. The proceedings of these meetings are being recorded for compliance purposes. By default, the host places all meeting participants on the mute. During the Q&A sessions, the speaker shareholders will be unmuted by the host. Shareholders are kindly reminded to enable their video for active participation. In case video is not enabled, they can all still participate using audio mode. In case of connectivity issue at the speaker's end, we will proceed with the next scheduled speaker. Once the connectivity is restored, the affected speaker shareholders will be given another opportunity to speak. We request shareholders to keep their remarks with a three minutes time limit.
- Additionally, shareholders who are not designated as speakers can actively participate by sharing their views or posing questions using the 'Ask a question' tab available on the video conference screens. The answers to the same will be provided towards the end if time permits or through emails post AGM. Thank you very much.
- I now request Mr. Pradip Shah, Chairman to continue with the proceedings of the meeting. Over to you, sir.

- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Thank you, Mangal. I'm Pradip Shah, Chairman of the Board, Audit Committee and the Risk Management Committee. I have joined the meeting from Mumbai. On behalf of the Board of Directors of your company, I have great pleasure in extending a warm welcome to all of you to this 28th annual general meeting of the company. This meeting is being held through video conferencing as statutorily permitted. I affirm that the company has made all efforts feasible under the circumstances to enable members to participate and vote on the items being considered in the meeting. We have the requisite quorum present through video conference to conduct the proceedings of this meeting. Before I turn to the formal agenda of the meeting, I request my colleagues to introduce themselves. I will turn to Samir first.
- **Mr. Samir Dhir - MD and CEO, Sonata Software Limited:**
- Good morning everyone. I'm Samir Dhir, MD and CEO of the company. I join the meeting from Mumbai.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Radhika.
- **Ms. Radhika Rajan – Independent Director, Sonata Software Limited:**
- Good morning everyone. I'm Radhika Rajan, Independent Director and Chairman of the CSR Committee. I'm joining the meeting from Mumbai.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Viren.
- **Mr. Viren Raheja – Promoter Director, Sonata Software Limited:**
- This is Viren Raheja. I'm the Promoter Director of this company and I'm joining the meeting from Mumbai.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Thank you. Srikhar.
- **Mr. Srikhar Reddy – Executive Vice Chairman, Sonata Software Limited:**
- Good morning. This is Srikhar Reddy, Executive Vice Chairman of the Board and Whole-time Director. I'm joining the meeting from Bangalore.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Thank you. Shyam Ghia.
- We can't hear you. We'll come back to Shyam in a minute. Sanjay Asher.
- **Mr. Sanjay Asher – Independent Director, Sonata Software Limited:**

- This is Sanjay Asher here joining the meeting of Sonata Software Limited. I'm an Independent Director and Chairman of the NRC.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Thank you, Mr. Jagannathan.
- **Mr. Jagannathan C N – Chief Financial Officer, Sonata Software Limited:**
- Good morning all. This is Jagannathan Chakravati, Chief Financial Officer of the company, joining from Mumbai.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- And Mangal. You've introduced yourself?
- **Ms. Mangal Kulkarni - Company Secretary, Sonata Software Limited:**
- Yes.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Shyam, please introduce yourself.
- **Mr. Shyam B Ghia – Non-Executive Director, Sonata Software Limited:**
- Yes. Good morning. I'm Shyam Ghia, Non-Executive Director and Chairman of the Stakeholder Relationship Committee, joining from my residence in Mumbai.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Thank you, Shyam. So, apart from these directors and others, we have senior leadership team of the company joining from their respective locations. M/s Sukhpreet Sachdev and Mr. Amrit Bansali from BSR and Co. LLP, the statutory auditors, Mr. Parmeshwar Hegde, secretarial auditor and Mr. M. V. Bhatt, company secretary in practice who has been appointed as scrutinizer for e-voting and the AGM are also present at this meeting virtually.
- On behalf of our Board of Directors, I would like to thank you once again for joining us today. The registers required under the Companies Act 2013 and other documents mentioned in the AGM notice are made available electronically for inspection by the members. As the AGM is being held through video conference. The facility for appointment of proxies by the members was not applicable and hence the proxy register for inspection is not available. The company has received representations from members for 19, 14, 665 shares, representing 1.37% of the paid up capital of the company.
- Since the notice has been sent by electronic mode to all members entitled to receive the same, I therefore take the notice as read. Since the Chairman and CEO message is already part of the annual report, I also consider the same as read. I hereby take the statutory auditor's report and secretarial auditor's report as read as there is no

qualification in the reports. I further take the Board's report and audited financial statements as read.

- As required under Section 108 of the Company's Act 2013 read with applicable rules and Regulation 44 of the SEBI Listing Regulations 2015, your company had provided all members the remote e-voting facility to cast their votes electronically in respect of all businesses mentioned in the notice. Members who are present in the AGM through VC facility and have not cast a vote on the resolutions through remote e-voting can vote during the meeting through e-voting facilities provided by NSDL.
- I now request Ms. Samir Dhir make a presentation to the members on the performance of the company during 2022-2023. Thank you.

- **Mr. Samir Dhir – MD and CEO, Sonata Software Limited:**

- Thank you Pradip. So, I'm going to cover our performance for the fiscal year as well as provide the update on our strategy and progress that we have made on multiple counts. With that said, let me just start the meeting by introducing the executive leadership team which has joined us virtually on the call today. As you know, in the last twelve months we've had some very senior executives from industry join us. Truly delighted to have this team which is really acting every day judiciously to take Sonata forward.
- Sonata at a glance. We had a glorious 35 years plus of a company, very proud of what Sonata has done over the years and really delighted to take the company forward as I step into the shoes over the last 12 months. In the preceding time so far, Sonata has now reached a revenue of \$950 million plus in the trailing 12 months basis. Our 10 years CAGR is about 15% and our market valuation is at an all-time high. So I think overall the company has done exceedingly well in the recent times specifically. Globally we are now 6500 engineers plus and we are expanding into newer geographies as a company. Our stated strategy has been to diversify across cloud and data, and we're making significant progress towards taking the company towards a modernization engineering powerhouse using our Platformation techniques over a period of time.
- If you look at the 3 year performance vision that we have created Sonata, we have talked about going from little less than a billion last year to about 1.5 billion in time to come in about 3 years' time. And as we do that, we think our EBITDA will be in early twenties in about 3 years' time. Clearly, Sonata has a lot of strength over the years. Microsoft sell to relationship specifically with dynamics has been a very strong part of who we are. Our performance at SITL has been par none. It's been exceptional performance over the years. I think we believe very-very positive about that. And beyond that, our presence in retail manufacturing, travel and TMT verticals has been a strong strength for Sonata. We really intend to harvest those strengths to make sure that we can sweat them more and really capitalize on the good work that we've done over the last several years as we move forward.
- From an invest perspective, we have talked about scaling our large deals engine and we've made good progress in the last one year. We have also talked about scaling and investing in BFSI, which is banking, financial services & insurance. Healthcare

and life sciences are two new verticals that we created last year, and we really started the year well to make good progress in those areas and then of course, cloud data and AI becoming a cornerstone of our technology capabilities as we move forward. All in all, to use the strength of the past and the investments of today to really help build a very diversified business from a client perspective and from a brand perspective as we make Sonata truly a global company in time to come.

- Delighted to share with you in the most recent quarter, we have crossed on the international services business a 300 million annual run rate mark, which is a truly a landmark for us amongst many landmarks that in time to come will continue to break. As we scale the company, there are few tenets, which are extremely important for us. Becoming a more global company is one of them. And as clients look to give their prestigious transformation programs to Sonata, it's really important for us to scale the company globally. At this point in time, we have 33 offices and centres across the globe and as we move forward, we believe that footprint for Sonata will continue to increase. In the most recent times we have added our presence in Costa Rica, in LATAM and very recently in Malaysia.
- We continue to serve our clients across five geographies, four industries and eight partners. I want to provide a quick update from a focus perspective. Clearly, United States continues to be a big part of our focus from a geographies perspective, followed by Europe and UK and then ANZ and APAC. So really five focus geographies for Sonata as we move forward. And from an industry's perspective, TMT, which is an acronym for technology, media and telecom is really a part of a focus. Retail, travel and manufacturing, which has been a strength of Sonata in the prior times and then BFSI, banking, financial services & insurance and healthcare, life sciences and new emerging verticals that we really want to double down on as we move forward.
- From a partnership ecosystem perspective, Microsoft truly has been an outstanding partner for Sonata over the years. We're very proud of our partnership with them. But we also start to expand partnership with AWS, Google, Snowflake, Salesforce.com, ServiceNow and others as we move forward, so we can diversify and really build a scaled organization as we move forward. All this is underpinned with the core thematic of our innovative IPs, which will continue to differentiate us in the marketplace. Our LISA Chatbot, which came through our acquisition of Quant and our own accelerators that Sonata has built over the years, which are called as Lightning Build as we move forward. And these are innovative IPs, which will continue to differentiate Sonata in the marketplace and help us win more and more large deals as we move forward.
- And we have made some big moves. We're very proud of the moves that we made. We acquired Quant System, which was the largest acquisition for Sonata to date. In Q4 of last fiscal, we announced the largest ever deal for Sonata, which is about a \$160 million contract over 10 years, the largest ever win for Sonata in the retail space, and also in the US geography, one of the large very big wins for us. And then from a D&I focus perspective, we have really amped up ourselves to really build a global enterprise and focus on D&I initiatives and really committing ourselves to get to a 35% diversity ratio in about 3 years' time from now.

- With that, let me give you a colour of the win that we had. This is for one of the largest win that we won last year. It's a modernization program that we won for a retail customer. This is in the retail space in US and really the problem statement that the customer was trying to solve was they had antiquated technology stack. They really wanted to move to a more modernized data and cloud into cloud ecosystem and really drive customer experience for their retail customers to a higher level. And really the reason Sonata was selected among some very tough competition with Generation One companies based on our capabilities, our flexibility and our ability to move fast to close the deal. This is an end-to-end modernization deal which has underpinnings of AI and transformation from a customer experience perspective. Truly delighted that we could win against some very stiff competition in the marketplace.
- Coming to Quant, it's a very special acquisition for us. We really wanted to double down on BFSI and healthcare space and Quant really bought two accounts, one very large banking customer and one very large healthcare customer beyond other customer logos that they brought to the table. But that has really given us a scale and credibility in the marketplace to have two very large logos for Sonata as we move forward. Quant as you know, did last year 37 million and they are on a very rapid growth path. We believe they will continue to grow at about 30% this year and in time to come as well. Highly profitable company and they have about 300 engineers across the globe. And at this point in time, happy to report to the shareholders that Sonata and Quant is fully integrated as one company now.
- That was the past and last year. From a go forward perspective, we are making three strategic bets and they are all very important for us as we move forward. Number one, we are really bidding big on Microsoft Fabric. Fabric is the most recent launch SaaS based data platform by Microsoft and we believe as they deploy Fabric across the enterprise clients, Sonata is the only India based SI that have partnered with Microsoft on this product suite. And this is a product suite which really will help solve enterprises the data silos and dark data issues that enterprises have been talking about for a long time. And we have taken a pole position with Microsoft to really accelerate on this journey and build pipeline for Sonata and really create some significant wins for us as we move forward. Number two, Gen AI has really taken the market by storm in the last about 7 to 8 months. And we are delighted to have launched Harmoni.AI as our IP and our framework as we move forward in this journey to really take again a significant part of market share as we move forward. And number three, from a broader modernization agenda perspective we have diversified our partner base from beyond Microsoft to AWS and others. So we really want to build joint go-to market strategies with these product vendors and really take market share as much as we take it with Microsoft with other product vendors as well. Our continued strategy of verticalization, our continued strategies of focused go-to markets, our continued strategy in large deals and to really build top ten accounts will continue to give meaningful results for Sonata as we move forward.
- Talking about Gen AI, this is the Harmoni.AI. This is a significant market opportunity. The analysts talk about a \$60 billion target addressable market in time to come. It's a massive opportunity. Clearly, the technology will shape and mature as we move forward, but we really want to be at the forefront of this technological change. And

the positioning that we have taken is to be responsible first AI company. And that is very important given in this time when there are ethics issues, compliance issues. We really want to help our customers, really get over them and really address them head on and hence Sonata's position of Harmoni.AI as a responsible first AI offering is pivotal and we're beginning to see some significant market moment and traction build up for us from our customer base.

- And this is what industry analysts are talking about. I think for the first time in Sonata's history, we were really rated as the disruptor in the data area by an external analyst. Very delighted that we have been rated as that category. And as we move forward, we really want to move from disruptor to market leader category, but truly delighted to have broken into some significant competitive landscape as a disruptor in the data space. Our performance with Microsoft continues well, I think our credibility with Microsoft is par none. This year again, were awarded as the Inner Circle partner, which just bodes well for the long term relationship Sonata has built with Microsoft as a partner.
- I want to provide you with an update on corporate governance and sustainability. Truly delighted to have won again Golden Peacock Award last calendar year. This just is an underpinning of our commitment to the strong corporate governance as a company and also our focus on ESG. We have talked about getting to carbon neutrality by 2030 and there are significant efforts and initiatives we're taking to really drive down energy consumption of the company and carbon footprint across the company. People - this is a people business core part of a strength. There are several initiatives that we have launched in recent times. I want to provide shareholders an update on that. Sonata Spark is really our effort to harness ideas and drive a culture of entrepreneurship inside the company so the engineers who have bright ideas they want to bring to the table, they can do so. And really we want to run this as a continuous initiative every year. Our HR teams and our technology teams have done exceptionally well to harness close to about 150 ideas across 6500 Sonatians that we want to harness and build as we move forward. Diversity and inclusion is a key part of our focus for us to build a global enterprise. We absolutely are committed to that agenda to build more diversity and more inclusiveness both from gender and ethnic perspective as we move forward. We launched Sonata University which we call a SCALE and that's a significant part of our investment as we move forward to make sure that we can provide an environment where Sonatians can learn new technologies, emerging technologies and cross skill and up skill as we move forward. Technology is changing rapidly and hence that investment is pivotal for us to really build talent from within. And lastly, our HR teams have started this initiative called Back to Office. So earlier in July this month we have started that process and really committed to getting environment of collaboration really back as COVID has settled down.
- From a financial metrics perspective, making good progress from EPS standpoint, we continue to make good progress from a liquidity of the company perspective. Our ROCE is in a top quartile performance and the dividend that we are proposing of 15.75 per share. All these metrics just go on to show the strength of balance sheet and P&L performance that company has done over the years. Just taking a look at last year in isolation, Y-o-Y, we had a very strong revenue growth in the international

business, a very strong performance in the SITL business and these are industry leading numbers. In our mind, I think we have done exceptionally well. It's a top quartile performance by our teams globally and the consolidated revenue a very promising outcome for the company and our PAT grew in line as well at about 20%. Consistent growth over the last 10 years and we absolutely hope to keep that chart going in the right trajectory, both from a top line perspective, our EBITDA performance and PAT performance perspective. It really has been the hallmark of Sonata over the years and this management team really will double down to make sure that we continue to deliver a predictable outcome for us and our shareholders as we move forward. This is SITIL, the India business, very strong ROCE performance industry leading in high 40s, which I think is an exceptional outcome of the performance by our team and we're proud of the outcomes that they are delivering.

- Lastly, we're really committed to our shareholder value creation. We have proposed a dividend payout of 15.75 per share subject to approvals and then a bonus issue that we did last year 1:3 on September last calendar year. So very happy in overall the strategy that we are taking, the performance of the company in the last fiscal year and as we look forward, very excited about the investment that we are making. With that, I conclude the presentation and turn it over to Mr. Pradip Shah.

- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**

- Thank you Sameer. We resume the proceedings now. We now take up the following resolutions as set forth in the notice. We will open the floor to any questions by members after all the resolutions are tabled. Since the resolutions have already been put to vote, there will be no proposing and seconding of resolutions.
 - Item number one of the notice; to receive, consider, approve and adopt financial statements for the financial year 2022-2023 including the consolidated financial statements together with the reports of the Directors and Auditors which have already been sent to the members. This is ordinary business.
 - Similarly, ordinary business item number two of the notice; to declare final dividend of RS. 8.75 per equity share of Re. 1 each, that is 875% and to confirm the payment of interim dividend of Rs. 7 per equity share of Re. 1 each, that is 700% already paid for the fiscal year 2022-2023.
 - And third item of ordinary business; to appoint Mr. Viren Raheja who retires by rotation and being eligible offers himself for reappointment.
 - Then we have some special business. Item number four of the notice; to approve the amendment to the employee stock option plan 2013 of the company and authorize the ESOP Trust to buy equity shares of the company.
 - Then item number five which is also a special business, to approve the payment of managerial remuneration to Mr. Samir Dhir, Managing Director and CEO. Then item number five also special business to approve the payment of managerial remuneration to Mr. P. Srikar Reddy, Executive Vice Chairman and Whole-Time Director.

- Another special business. Item number seven of the notice, to approve overall managerial remuneration payable in excess of the limits prescribed under section 197 and schedule 5 of the Companies Act 2013 for each one of the above under agenda items five to seven.
- The text of the resolutions is provided in the notice circulated to the members. If any registered speaker shareholder desires to ask any questions now you may please do so. I will now request the first speaker who has registered with us, Mr. Praful Chavda to kindly proceed with the questions.
- **Mr. Praful Chavda – Shareholder:**
- Chairman sir, Board of Directors and my fellow shareholders, first of all let me tell you that the Chairman’s speech was very informative. Hence I don’t have much questions. Just on page no. 44, the secretarial department have provided the address of the subsidiary companies and along with it, they have also mentioned the mail address and phone number. Very good sir. That is good work and please continue to do the same in the future so that we will get an idea about how many offices we have worldwide and the e-mail IDs of those offices. It shows that the company cannot do anything bogus. There are many companies that say they have offices in foreign countries but when we look for information there won’t be anything there.
- I would like to make a suggestion. On page no. 404, you have mentioned the PTA in lakhs 2019, 2020 2021, 2022, 2023. Sir, the graph is showing a downward trend. It is the same case with EBITDA as well. The EBITDA graph starts from 2019 on the top and then it gets over at 2023. The graph is going down. What I would like to say is in the future, in 2024 it should be up, in 2023 it will be down. Sir, the report is showing that you have 9 banks. Very good sir. The more the number of banks, the better it is, in the rare case of a bank shutting down. That would be detrimental to our savings and receivables. Your CSR work is good, but you’ll should also help the retired army men, the martyred army men by helping their children. Also, the media keeps highlighting lots of talented players who don’t have shoes, clothes or even food to it. I would request you to help such players. Even if you give them 1 lakh each, they would be able to make a life for themselves. Thank you sir.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Thank you Mr. Chavda. I would now come to the next shareholder, Mr. Vinod Motilal Agarwal.
- **Mr. Vinod Motilal Agarwal – Shareholder:**
- My favourite Chairman Mr. Pradip Shah, I’ve been attending so many of your meetings. I will be attending again in BSF also. Sir, I’ve voted for all the 7 resolutions that ought to be passed in today’s AGM. The performance of the company was exceptional. The revenues have grown 34% last year, and 26% CAGR 5 year. Even the dividend of 15.75 is very good. You’ll are a debt free company with liquidity of 800 crores and a book value share of 92.76, which is very good. We also acquired Quant in the last year. With that, came two new clients to our company. Apart from that,

we have also acquired a deal of \$160 million from a retailer, which will be spread over a 10 years period, which is very good. What would be the margins in this deal? We would be targeting 10 major accounts. Even our 2 year target by 2026 if \$1.5, which is very good. The Golden Peacock Award for Corporate Governance is very good. The credit of that should go to Mangal Kulkarni because corporate governance issues are generally taken up by the Company Secretary. And, all the awards from Microsoft and for making new partnerships will also give us better revenues. WNS, Google, Salesforce, everything will give us better revenues. I wish the company all the best. I'm a regular shareholder of the company. Even the 1st quarter has been very good sir, 300 million revenue we have surpassed, and net profit was 120 crores in Q1, which is also very good. I sign off. This is Vinod Agarwal from Mumbai. Thank you sir.

– **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**

– Thank you Mr. Agarwal. We now have a question from Mr. V. Ravichandran.

– **Mr. V. Ravichandran – Shareholder:**

– Very good morning to one and all. First of all, let me thank you for two things. One is for the good performance. And the second thing is, in the last AGM, I requested for bonus. The board has considered that and given. Though the ratio is a bit disappointing, but nevertheless, you have agreed and issued a bonus. Thank you once again for that. (29.54 – no audio)

– **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**

– You're on mute Mr. Ravichandran. We can't hear you. We can hear you now.

– **Mr. V. Ravichandran – Shareholder:**

– I think it happened automatically, not due to my intervention. Anyway, the CEO spoke about Gen AI. Definitely, AI is a promising area. Are there any investments being planned in the next 2-3 years? And second is, what is the revenue potential that you're expecting? Before I go to the next question, my request is, please respond to all the queries. Last year I raised lots of points, but none of them were responded to. And, I was told it would be sent by email or would be available the website, but I couldn't find that. My request is, please respond. Whatever be the...

– **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**

– We will do that, don't worry.

– **Mr. V. Ravichandran – Shareholder:**

– And the second point is, talking about modernisation as a theme, modernisation means your skill sets should be up to date, on par with the excellent skill sets available in the industry. So, how are you planning to manage this? Through training, development or recruiting specialists? I would like to hear from you on that. Third point is on the goodwill. I don't know how Quant Systems was valued. It generated so much of goodwill in the balance sheet. So, what is the revenue potential that you're expecting, which can recover this goodwill, and what is the timeframe? I

would like to hear from you on that as well. Then there is one more thing, other tangible assets of 424 crores due to customer relationship. I don't know what this is all about, but since it is shown as receivable on the asset side, I presume, you're likely to receive some benefits on accord of this. So, on this also please clarify. Next point is, same as last year, this North American and European subsidiaries, there is no dividend from that, though you have 420 crores of related party transactions and about 125 crores of investments. But, there is no investment. Last year also it was not there, this year I don't see any investments from these subsidiaries. My sixth point is on the employee benefit. It has increased by 125 crores... 128.5 crores. (32.57 – audio lost)

– **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**

– We lost you again Mr. Ravichandran, or is the link broken? Network is gone? We'll wait for a minute, and if it doesn't come back, we'll switch to someone else and come back to him later, okay? We will switch to someone else. Can you please bring in Mr. Bimal Kumar Agarwal. Sorry, Mr. Dinesh Bhatia first, then we'll go back to Mr. Ravichandran again.

– **Mr. Dinesh Bhatia – Shareholder:**

– Good morning. Excellent!

– **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**

– Thank you.

– **Mr. Dinesh Bhatia – Shareholder:**

– Thank you and congratulations to you and your entire team for the excellent result and good work. Our company share of FV Re. 1 is quoting at Rs. 1,057 in the market today, which shows your hard work and the progress of our company. Very good results, and very good work done by you'll. I saw that you gave a bonus for last year, and have given Rs. 7 interim dividend, and a final dividend of Rs. 8.75. Our total dividend is Rs. 15.75 on a FV of Re. 1. That means 1,575% dividend. Excellent! We are happy that we're shareholders of such a good company. We are proud. You'll are doing great work. You'll are getting foreign revenue into India from the US and many other foreign countries in which you'll operate centres. The report prepared by your Secretarial and Finance team is very informative. We are happy to see your excellent work. There's no need for any questions, but I just want to know one thing. How much is our global investment and what is our total business? I think over 80% of our business comes from outside India, is what I gather from the report. You're acquiring other companies and taking our company on the path to progress. Excellent! Our earning on a share of Re. 1 is Rs. 15.89 on a standalone basis. That is all because of your hard work. Very good, excellent! I thank the Secretarial Team too. I congratulate you and the entire team for winning the Golden Peacock Award. May the company always reach new heights. I support all the resolutions. All the best! Thank you sir.

– **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**

- Thank you Mr. Bhatia. I now turn to Mr. Bimal Kumar Agarwal. Oh sorry, Mr. Ravichandran in back. So, we can go back to Mr. Ravichandran, and then we'll go back to Mr. Agarwal. Sorry Mr. Agarwal, we'll come back to you. Mr. Ravichandran, please go ahead. We can't hear you again. Go ahead Mr. Ravichandran.
- **Mr. V. Ravichandran – Shareholder:**
 - The next point was on the accounts. See, there were lots of mistakes, which I noticed last year too, though I did not raise it. See, in standalone balance sheet, the IT assets of 75 crores and 50.47 crores is given. There is a reference to Note 15, but details are not available in Note 15, as it's something else. In the same way, Note 21 refers to Note 37 for rent, but Note 37 is for distributions. These are all examples, I didn't go into the details. And similarly, on page 290, amounts are mentioned in Rupees, but whether it is in lakhs, crores, millions, that's not clear. And the next point is on the guarantees. You have given guarantees to subsidiaries. Are they continuing or is there a timeline after which it will be withdrawn? It can't be continuing forever. Subsidiaries are supposed to stand on their own feet. So, it may have some timeline, that you may like to clarify. The last point is on the Annual Report itself. See, there seems to be an attempt to modernise the Annual Report also, but unfortunately, it is giving less information than what was available in the previous year. One example was CSR. Even last year, I raised this. CSR is limited only to Karnataka. Maybe your headquarters is in Karnataka, so you want to focus on Karnataka. But, since you're working in seven states, you should atleast spread that to seven states. But, that information is totally missing. So, I'd have to go through several pages, also you've given a link in the Annual Report. So, I'll have to search for the information. Last year it was very simple – it was a tableted format with complete details. Any modernisation effort is welcome, but it should give more information than what was available in the previous report. That is one request. Thank you, and wish you all the best for your good performance in the coming years also. Thank you.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
 - Thank you Mr. Ravichandran. Mr. Bimal Kumar Agarwal, you can go next.
- **Mr. Bimal Kumar Agarwal – Shareholder:**
 - Good Morning to everyone. First of all, I thank the Company Secretary and his team, and also the management, staff and the shareholders. I thank the Company Secretary for sending me the physical copy of the Annual Report. As everything was explained in the statement, I've got nothing to ask. As Mr. Bhatia mentioned, the company is performing very well. I've got nothing to ask. Only, keep the video conference meeting always, as it's easier to join. Since it's raining cats and dogs, we can't come for the meeting. So, always keep VC. That's all from me, thank you very much. Again, I thank the Company Secretary.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
 - Thank you Mr. Agarwal. I now request Mr. Aspi Bhesania to speak.
- **Mr. Aspi Bhesania – Shareholder:**

- Sir, it's nice to see you, but I would've preferred a physical AGM. I don't know why people keep only online meetings. The next year, even if the government extends the date, please hold a physical meeting. Sir, at the outset, I welcome our new CEO Mr. Samir Dhir, and I hope he reverses the trend of Quarter 1. Sir, I appreciate the reduction in dividend from Rs. 21 to Rs. 15.75, inspite of increase in net profit. These are uncertain times, you must be watchers for acquisitions. Sir, in Quarter 1 our revenue is almost flat QoQ. However, our profit has reduced by 90% QoQ. Sir, any reasons for that? Other income in Quarter 1 has also reduced substantially QoQ and YoY. Sir, what are the reasons for that? How much percentage of our revenue is from AI, and next year how much percentage of our revenue will come from AI? Sir, thank you very much and all the best for the future.
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- Thank you Mr. Bhesania. I will now request Mr. Samir Dhir to answer your queries. Thank you.
- **Mr. Samir Dhir - MD and CEO, Sonata Software Limited:**
- Thank you Pradip, and thank you all shareholders for putting their questions across. First of all, let me thank, on behalf of the management, all the appreciation that was placed by the shareholders for the performance of the company, as well as for the awards that we have won. Sincere thankyou for recognising that. Now let me take the questions on the topics that came up.
- So, number one, on the large deal, there was a question around the deal itself, the mega deal that we announced in Q4. So, that deal essentially is for a large retailer. The construct of the deal is for the client to outsource their entire IT to Sonata. As part of the deal, we have a 10 year agreement with them to take the entire IT estate up, and to modernise the deal and move them to cloud over a period of time. So, it's a fairly aggressive deal for us, and we are actually very happy about how this has come about. And hopefully, in the times to come, it sets the foundation for Sonata to win more contracts like this as we move forward.
- There was a question on mega accounts. We have talked about... as you move forward as a company, we want to create several \$10 million, \$25 million, \$50 million accounts as we move forward. Today, clearly we have one account which is \$50 million plus, but we want to create more such accounts. And hence, some of these logos that we're winning, some of the accounts that we have in the top 5, are extremely critical for our success to build a more scalable and predictable platform. Clearly, the account that Sonata had is in the healthcare space now, and the banking space has a lot of momentum to become the next \$25-50 million account in the next 3 years. Having said that, we need to win more logos of enterprise grade in times to come, and our effort as a management team is to judiciously keep winning those logos, which can scale to be the large logos for our company.
- There was a question on AI. Let me answer that, and the investments in it. So Generative AI and AI broadly speaking, is a very very fast-moving and evolving space. We have stated, that when we become a \$500 million company from the international business perspective, over 20-25% of our revenue will come from data

and cloud. Now clearly, a large part of the differentiation that we will drive, will come from Generative AI and AI, broadly speaking, because data on its own doesn't help the enterprises, but the insights from the data help the enterprises to make meaningful predictions for their customers and consumers. So, a large part of the wins that we will have in the cloud and data space of 20-25% of our company, will come from that area, but they will be underpinned by the AI differentiation that we are trying to build on. Now as we do that, we are putting significant investment in the AI space. We talked about putting close to about 1 to 1.5% of our bottom line into the AI space. And, as we scale the business from less than about 5-10 million today to about 100 million in the time to come, we believe that investment will play disproportioned/dispositioned investments. And, not only give disproportioned/dispositioned investments, it will position Sonata in a very different and meaningful way, so we can continue to take market share aggressively, as we have aggressively taken market share away from competition in the last recent years.

- The third topic was on modernisation. I think your feedback about CSR data to be provided has been noted; from next year we'll take care of that. But broadly speaking, the modernisation theme in general, is a very important theme for us to position the company in a market space that we compete in. And as you know, most customers are still moving their workloads from on-prem to cloud, and as they do that, they still haven't really modernised their infrastructure or their applications. So, the opportunity for Sonata is, to a) move them from on-prem to cloud, which is part 1 and b) once you have moved them to cloud to modernise them and c) to do AI on top of it. That's a 5-10 year transformation that we see in front of us. This transformation will keep increasing, and we're really at the heart of this transformation to take the market share away aggressively as we move forward.
- There was a question on Quant revenue. The Quant revenue last year was about 37 million. We have shared with the market as well as with the shareholders, that they will continue to grow in the near future atleast, by about 30% YoY, and at a fairly high margin of about 30% EBITDA as well. And our expectation is, that as the joint forces of Sonata and Quant come together, we can make more progress in that area and use the success stories of Quant to really help... bring their capability into Sonata accounts as well. And likewise, take Sonata's capabilities into their accounts and really have a truly synergistic approach to make 1+1=11.
- There was a question on investments we're making in general. Our investment thesis has been fairly simple, we want to invest in three broad areas. We want to strengthen our sales & marketing efforts. So, with the new addition, the new levers that we've added, we'll really continue to invest in our sales & marketing in general speaking. So that, as we open these large logos that we just talked about, we can put really seasoned farmers and hunters in these accounts, so we can get that revenue to Sonata. That's one part of the investment.
- The second part of the investment that we've talked about, is with the partners, we were a very strong Microsoft partner organisation. We're trying to diversify from Microsoft to AWS and to Snowflake and Salesforce.com, and those require

investments to build solutions so that these companies also give us a mindshare such as Microsoft gives, and that's the second part of the investment.

- And the third, is to really provide in-market, in-vertical expertise. As we move to a more vertical, in-market model of banking, financial services and healthcare (these are domains which Sonata really didn't have), we really want to put investments to make sure we can capitalise and maximise the returns for Sonata through these investments as we move forward.
- There was a question/comment about Q1 performance. Our Q1 performance on the international services business alone, organically, has been about 4%, and Quant included, has been about 17%. And in this market, most of the competitors have been either declining or staying flat. I think 4% revenue improvement is pretty much top of the quartile performance that we have seen, and we are very committed to Quant to stay in that zone as we move forward as well.
- There was a question and comment about the suggestions around subsidiaries. I think, that's well noted. And, as we move forward, we'll continue to provide information and data about our offices and how we're really expanding our global footprint. And, it's becoming quite important for us and our customers. Many of the contracts that we're now seeing, customers really want to have near-shore capabilities, as well as off shore capabilities in their parlance. Off shore in their parlance becomes India, near-shore in their parlance, if it's a US customer, that would be more LATAM and Costa Rica and the South American region. And, if it's a European customer, it would be more Poland and Ireland. So really, we're beginning to see a requirement from customers to have presence in their local geographies, as well as local language support. And, that's becoming quite critical for us and we'll expand and really do that and really provide shareholders with the expansion opportunities that it provides for the company, to really make Sonata truly a global company as we move forward.
- I think there was a very specific question on accounts and balance sheet, and guarantees. Mr. Ravichandran, we'll have Jagan provide that offline to you and take it up separately with you.
- With that, I think I've covered most of the questions and comments that came. Pradip, if you have any more comments...
- **Mr. Pradip P Shah - Chairman, Sonata Software Limited:**
- There was Mr. Agarwal's question on goodwill. There's an impairment test for goodwill for every acquisition. And every year, the auditors also check that. So, be assured, that there will be no overstatement of goodwill or anything like that. But, goodwill has to be accounted for. When we make an acquisition, there's goodwill that will have to be recognised.
- I think, that answers all the questions. So, we will then move back to the agenda of the AGM. Members may note that the voting on the NSDL platform will continue to be available for the next 15 minutes. Therefore, members who have not cast their vote yet, are requested to do so. The board of directors has appointed Mr. M.V. Bhatt, practicing Company Secretary, as a scrutiniser to supervise the e-voting

process. The combined results of the remote e-voting and the e-voting done at the meeting today will be declared on receipt of the Scrutiniser's Report, and placed on the company website and submitted to the stock exchanges, as per the requirements under the SEBI Listing Regulations. Further, I hereby authorise Ms. Mangal Kulkarni – Company Secretary, to declare the results of the voting and place the results on the website and the registered office of the company. On behalf of the board of directors and management of Sonata, I thank you all for attending this meeting, and I hereby declare the proceedings of this Annual General Meeting as closed. Thank you again.

– ***END OF MEETING/ E-VOTING BEGINS***